given by the Government to encourage foreign investment in the country; and

(d) the expectations of the Government as a result thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b). Such proposals when received when received are considered on merits.

(c) New Industrial Policy announced recently, has allowed approval for foreign direct investment upto 51% foreign equity in 34 high priority industries. Foreign equity proposals need not necessarily be accompanies by foreign technology agreement. Majority foreign equity holding upto 51% equity has also been allowed for trading companies predominantly engaged in export activities.

(d) It is expected that the measures as at (c) above will bear good results.

Hindustan shipyard Limited, Visakhaptanam

228. PROF. UMMAREDDY VENKATESWARLU: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the Hindustan Shipyard Limited, Visakhapatnam is running in loss for the last several years;

(b) if so, the reasons therefor;

(c) whether the shipyard is not having sufficient orders to manufacture ships; and

(d) if so, the steps taken or proposed to be taken by the Government to make the shiphyards economically viable?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER) : (a) Yes, Sir.

(b) A number of factors contribute to the losses of Hindustan Shipyard. The more important ones are:

(a) Huge cost-price gap due to pricing formula;

(b) Long time over-runs in completion of ships;

(c) Huge interest burden arising out of borrowings for meeting the cost-price gap etc.

(d) Low productivity.

(c) Yes, Sir.

(d) A number of steps are under consideration of the Govt. for revival of HSL and other shipyards. These include capital restructuring, upward revision of Govt. subsidy payable for construction of ocean-going vessels, duty free ports upto 50% of the realisable price of vessel etc.

[*Translation*]

Construction of Defence roads from Moradabad to Tanda, Bajpur, Haldwani

229. SHRI BALRAJ PASSI: Will the Minister of DEFENCE be pleased to state:

(a) the total amount spent so far on the construction of defence, road from Moradabad to Tanda, Bajpur, Haldwani;

(b) whether the said road is in a dilapidated condition;

(c) whether work on this road is in progress as per schedule; and

(d) if not, the reasons therefor and the details of the progress of work?

THE MINISTER OF DEFENCE (SHRI SHARAD PAWAR): (a) to (d). The road from Moradabad- Tanda-Bajpur-Haldwani is not a Defence road. As such no information about this road is available in the Ministry of defence.

Import of Palm Oil and Rubber

230. SHRI RAM TAHAL CHOUDHARY: Will the Minister of COMMERCE be pleased to state:

(a) the steps being taken by the Government to reduce the import of palm oil and rubber;

(b) whether new areas have been identified to grow their crops; and

(c) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (c). All out efforts are being made for reducing the import of rubber by increasing natural rubber production within the country. These include:-

I) Price protection for indigenously produced rubber in order to encourage rubber growers to produce more rubber.

ii) Undertaking comprehensive research on all basic as well as adaptive aspects of cultivation and production at the Rubber Research Institute of India and transferring proven technology on extensive scale to rubber growers through Board's extension service machinery.

iii) Implementation of development schemes designed to expand area under plantation, replant old and uneconomic plantations, promote use of high Yielding cultivatrs, improve yield from existing plantations and upgrade quality of rubber.

iv) Laying emphasis on spreading rubber cultivation to non-traditional areas.

Future potential for expansion of rubber area is estimated to be about 11,50,000 hectares spread over in the North-Eastern Region and States like Karnataka, Andhra Pradesh, Madhya Pradesh and Andamans & Nicobar Islands etc.

With regard to Palm Oil, information will be collected and laid on the Table of the House.

[*English*]

Exports

231. SHRI DILEEP SINGH BHURIA: Will the Minister of COMMERCE be pleased to state:

(a) whether the exports have registered a downward trend in recent months;

(b) if so, the reasons therefor; and

(c) the steps being taken to increase the exports?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) According to the provisional figures, India's exports during the first half of the current financial year i.e. April-September, 1991 amounted to Rs. 18711 crores as compared to Rs 15097 crores during April-September, 1990, thereby registering a growth of 23.9% in rupee terms.

Export growth in the second quarter of 1991-92 showed some improvement over the performance in the first quarter in rupee terms. As against a growth of 10.1% in April-June, 1991 over the corresponding period in 1990, exports registered a growth rate of 37.3% during July-September, 1991.

Exports to Rupee Payment Area have been deliberately compressed on account